



**Office of the Attorney General  
Paul G. Summers**

**NEWS RELEASE**

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**Attorneys General Reach Accord with H&R Block Services in "Peace of Mind"  
Guarantee Consumer Charges**

If you used H&R Block Services in the 2001 tax season and were charged an additional \$22 fee for a "Peace of Mind" guarantee, you may be eligible for a refund.

Tennessee has joined 42 other jurisdictions in reaching an agreement with H&R Block Services, Inc. regarding whether consumers authorized charges for a "Peace of Mind" guarantee. Tennessee Attorney General Paul G. Summers filed the agreement on behalf of the Tennessee Division of Consumer Affairs, which establishes a fund to reimburse clients who paid for the tax-preparation company's "Peace of Mind" guarantee but may not have wanted to purchase the optional service.

The agreement, reached by attorneys general of 41 states, the corporation counsel of the District of Columbia and H&R Block, concerns the company's guarantee to pay up to \$5,000 of any additional income tax owed due to a preparer's error.

"We feel this restitution is appropriate for Tennesseans who were charged for the Peace of Mind guarantee but who do not believe they were adequately informed of their choice," said General Summers. "The agreement should prevent this kind of misunderstanding from occurring in the future as well."

The attorneys general said Block added a fee of \$22 for the guarantee to all consumer tax return preparation invoices without asking whether the consumer wanted the extra service. Block denies that it violated any consumer protection statute and

maintains that it did not deprive its customers of the choice.

The agreement calls on H&R Block to establish a fund of \$1 million to be utilized to pay refunds to eligible consumers who had a tax return prepared at an H&R Block office in tax season 2001.

As part of the agreement, H&R Block will seek a consumer's affirmative agreement before charging for the guarantee in the future. The company may not make a representation that it "recommends" purchasing the guarantee until the customer has been provided the material terms and conditions of the guarantee.

H&R Block also agreed to reimburse the states for the cost of bringing the action against the company.

To be eligible, consumers must have had a tax return prepared in the 2001 tax season, been charged for the guarantee as an additional component, never utilized the guarantee and believe they were never informed that the guarantee was added for a fee to their tax preparation service, Summers said.

Eligible consumers must make a request either by phone to a toll free number H&R Block will establish (1-866-522-7083), or by the website that H&R Block is creating for customer refund requests ([www.hrblock.com/customer support/pom.jsp](http://www.hrblock.com/customer support/pom.jsp)) or in Spanish ([www.hrblock.com/customer support/pom es.jsp](http://www.hrblock.com/customer support/pom es.jsp)). Consumers can also file a complaint with the Tennessee Division of Consumer Affairs by calling 615-741-2819 or file one on-line at [www.state.tn.us/consumer/](http://www.state.tn.us/consumer/) .

Consumers must make their application for refund with 120 days of the date of the agreement between the states and H&R Block.